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Education & Skills Funding Agency

Correspondence

Business Update - Issue 59 (July 2020)

Updated 15 July 2020

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In this edition of Business Update, our round-up of business-critical news and information from the Education and Skills Funding Agency (ESFA):

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Please share Business Update with your colleagues who might like to register for web alerts. This will notify them by email when we add new editions of Business Update to GOV.UK.

To access support, you can search for apprenticeships on GOV.UK or call 08000 150 600. To find out more about how employers are using apprenticeships to benefit their business, visit our Hire an Apprentice page and our YouTube channel.

1. COVID-19 – updated apprenticeship guidance

Guidance, for apprentices, employers, training providers, end-point assessment organisations and external quality assurance providers during COVID-19, is available on GOV.UK.

The apprenticeship coronavirus guidance has been updated to reflect:

- an announcement that a support service for redundant apprentices will be available soon;
- information about apprentices returning to onsite course delivery;
- confirmation that temporary flexibility suspending the funding rule requiring Level 2 apprentices to study towards, and attempt, Level 2 functional skills assessments has been extended until 31 December 2020;
- improvements to the FAQs.

Guidance and support for businesses can be found on GOV.UK.

The Business Support Helpline number in England is freephone, 0800 998 1098. The helpline provides free, impartial business support and signposting services to businesses in England – which currently includes business advice on COVID-19.

You can also find free support, advice and sources of finance through your local growth hub or speak to an advisor on webchat about support for your business.

DfE coronavirus helpline:

- Telephone: 0800 046 8687

Read more on GOV.UK.

2. Funding policy announcements

The ESFA apprenticeship funding rules 2020 to 2021 (clarification version) are being published on GOV.UK today. These documents set out the rules for apprenticeship funding, including the evidence required to support it and apply to apprenticeship starts from 1 August 2020.

These rules are being published following the publication of the August 2020 policy changes and will reflect these changes. They should be read alongside the apprenticeship response to coronavirus (COVID-19) as some of these flexibilities are continuing.

The changes we have made are detailed in the summary of changes which can be found on the apprenticeship funding rules page on GOV.UK.

These funding rules are a clarification version to give you the opportunity to provide feedback. Send any feedback to fundingrules.comments@education.gov.uk by Thursday 23 July. We will update the rules to reflect any clarifications later in July. The rules apply to providers, employers and employer-providers receiving apprenticeship funding from ESFA.

3. Increase in SME reservations

Employers who do not pay the apprenticeship levy are currently in a transition phase onto the apprenticeship service. We are carefully managing this process as employers move away from contracted training provision to the new system – to help us do this we introduced the reservation process for use by smaller employers; giving smaller employers certainty that funding is in place before they recruit an apprentice.

Eligible employers have been provided with three 'active or used' reservations at any given time. From Wednesday 15 July, we are increasing this to 10 'active or used' reservations per smaller employer account for the remainder of FY20-21. This policy will continue to be kept under review as we further assess how the new system is working.

Until 31 March 2021, smaller employers are also able to continue arranging apprenticeships via training providers with existing Government contracts, subject to provider agreement and the provider having sufficient funds available in their allocation. All new starts will be through the service from 1 April 2021. For more information visit GOV.UK.

4. Reminder: Chancellors announcement

In a special issue of Business Update published last week, a summary of the announcement from the Chancellor was included, outlining the Plan for Jobs, the Government's second phase in the economic response to coronavirus.

In addition to the investment made in apprenticeships, traineeships and the National Careers Service, other headlines include:

A **Job Retention Bonus** that will be introduced to help firms keep furloughed workers. UK Employers will receive a one-off bonus of £1,000 for each furloughed employee who is still employed as of 31 January 2021.

A new £2 billion Kickstart Scheme will be launched to create hundreds of thousands of new, fully subsidised jobs for young people across the country. Those aged 16-24, claiming Universal Credit and at risk of long-term unemployment, will be eligible. Funding available for each six-month job placement will cover 100% of the National Minimum Wage for 25 hours a week – and employers will be able to top this wage up.

The rate of VAT applied on most tourism and hospitality-related activities will be cut from 20% to 5%.

To encourage people to safely return to eating out at restaurants, the Government has introduced a new **Eat Out to Help Out discount**. The scheme will support over 129,000 businesses in the hospitality industry.

Find out more by visiting GOV.UK.

5. Joint statement from ESFA, AoC and AELP

A joint statement from the ESFA, AoC, and AELP on strengthening relationships and enhancing communications between training providers and the ESFA was issued to the sector in late June. The letter, issued by Peter Mucklow, Director of Apprenticeships, ESFA; David Hughes, Chief Executive, AoC; and Mark Dawe, Chief Executive, AELP, can be viewed on GOV.UK.

6. Level 8 apprenticeships and changes to funding

Employers currently developing Level 8 apprenticeships were informed in the summer of 2019 that funding for these standards could not be guaranteed. It has now been announced that the Department for Education will no longer fund apprenticeships at Level 8, to ensure that we meet the needs of employers and apprentices at all levels, in a financially sustainable way, whilst delivering value for money.

Statutory Notice to the Institute for Apprenticeships and Technical Education from Apprenticeships and Skills Minister Keegan can be found by visiting GOV.UK.

7. Recording a change of employer on the apprenticeship service

A new function into the apprenticeship service to streamline the process of recording a change of employer has been released. This new function means an apprentice can now move from a former employer to a new employer during their apprenticeship training without the need to create a new funding reservation or add a new record to the service:

1. The former employer stops the record in the service, dated the last day the of the apprentice's employment with them.
2. The new employer grants the training provider permission to "Create a cohort" in the Provider Permissions section of their employer account.
3. The training provider sends a request from the Manage Apprentices section of their provider account, to the new employer requesting the apprentice moves to them.
4. The new employer checks the details of the apprenticeship and approves the request.

This will avoid issues where the original apprenticeship course is no longer available. In the case of employers that do not a pay the apprenticeship levy, accepting the move of apprentice will not impact the new employers reserved funding.

If you have any queries, please contact the Apprenticeship Service on 08000 150 600.

8. Changes to apprenticeship service support videos

Recent changes have been made to the "Using the apprenticeship service" video playlist available on our ESFAGOVUK YouTube Channel.

To help users find the information they need easily, there are now two new additional playlists on the channel:

1. "Apprenticeship service – webinar recordings", and
2. "Apprenticeship Support Videos".

- All support videos covering the different functions of the apprenticeship service will remain in the "Using the apprenticeship service" playlist.
- All existing recordings from our webinars and any future recordings will be available in the new playlist "Apprenticeship service – webinar recordings"
- Videos created to support the delivery of apprenticeships will be available in the new playlist "Apprenticeship Support Videos"

For additional support, visit the apprenticeship service support website.

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